

Many insurers re-victimize the victims

Insurance companies all too frequently use documentation and speculation about domestic violence as criteria to refuse coverage, deny claims, increase rates and limit policies. Rationalizing this discrimination, insurers insist victims of domestic violence are a high risk for claims and therefore deny them access to health, property and casualty, life, and disability coverage. Consequently, financial incentives stand in the way of fairness — at the victims' expense.

A frequent occurrence

Nationally

- Eight of the nation's 16 largest insurers admitted using domestic violence as a factor in determining rates and whether to issue insurance. (Subcommittee on Crime and Criminal Justice of the U.S. House Judiciary Committee, 1994.)

Pennsylvania

A 1995 survey of accident, health and life insurers showed:

- 24% of insurers reported considering abuse when determining whether to issue and renew policies

Among the total respondents, domestic violence was reported to be a criterion in deciding whether to accept new applications by:

- 74% of life insurers
- 65% of health insurers
- 47% of accident insurers (Insurance Commissioner of PA)

Putting victims at risk

Insurance discrimination puts victims of domestic violence at risk by:

- denying them the benefits that insurance coverage provides
- discouraging them from seeking help due to a potential loss of insurance

Without insurance, they are unable to obtain healthcare for themselves and their children and/or provide for them in case of death or disability. Victims may also feel they have no alternative but to stay in an abusive situation in order to retain the critical benefits provided by insurance.

Documentation of abuse

Insurers learn that someone is a victim of domestic violence through:

- **medical records** — Individuals often sign releases that allow insurers to obtain copies of medical records, which may reveal abuse information.
- **risk factor databases** — Abuse information can be disclosed through databases maintained by companies such as the Medical Information Bureau (MIB) and Equifax. Insurers that are members of these databases must report client risk factors and are entitled to request risk-related information on an applicant or insured.
- **public court documents** — (e.g. *Protection From Abuse* (PFA) orders)
- **credit reports** — Legal information, such as PFA proceedings and other matters of public record, may be included in credit reports if financial matters are involved.

Rebounding effects of discrimination

As a result of insurance discrimination, victims may stop seeking appropriate and necessary help including:

- medical treatment
- support and advocacy
- legal intervention
- other forms of life-saving assistance

They may also refrain from disclosing that domestic violence is the cause of their injuries. Doctors, healthcare workers and other service providers may stop identifying and documenting abuse if it puts patients at risk of losing insurance. Without such documentation of injuries, prosecutors may be impeded in their efforts to convict batterers.

The results of this discrimination significantly undermine the enormous efforts made over the past 20 years to create new sources of assistance and protection for victims of abuse.

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One woman's strength and courage

A resident of Cumberland County, PA, was denied life, health and mortgage disability insurance by State Farm Insurance Co. and life insurance by First Colony Life Insurance Co. in 1993 because of information in medical records that revealed a single incident of domestic violence. At the time, laws prohibiting insurance discrimination against victims of domestic violence were non-existent.

Facing great personal risk, this woman exposed the discriminatory practice of using abuse as an underwriting criterion to the public. Her courage **created a catalyst for the national investigation in 1994 and has led to the enactment of legal protections** throughout the country.

Note: State Farm has since stated that its policy has changed and the company no longer considers domestic violence in the issuance of life, health or disability insurance. However, in 1997, the company cancelled a Georgia woman's home and auto insurance because of abuse by her husband.

Legal protections

Under the leadership of advocates working to end domestic violence, insurance officials and state legislatures in 1994 initiated measures to stop this injustice. Since then, 29 states including PA have taken action either through legislation or regulation to prohibit insurance discrimination.

Amendments to PA's *Unfair Insurance Practices Act* were enacted in 1996 to prohibit insurance companies from discriminating against individuals on the basis of domestic violence.

At the federal level, **legislation is pending to prohibit insurance discrimination against victims in all lines of insurance.** This will provide uniform protection nationwide and address health insurance plans which are not governed by state laws.

Additionally, the National Association of Insurance Commissioners, an association of all state insurance regulators, has adopted model laws relating to health, life and disability insurance and is finalizing a model to address property and casualty insurance.

Advocating for additional change

Even with improved legislation, insurers are not required:

- to tell applicants the reasons for rejection or other adverse actions (victims may not even know that abuse was a factor)
- to file the criteria they use in deciding who to insure with state insurance departments or disclose that information to the public

Victims who know that abuse is the reason for denial, cancellation or increased rates may have concerns about reporting the discrimination due to fear of further violence from their batterers as well as social stigma and embarrassment.

For the future

Prohibiting insurance discrimination on the basis of domestic violence will obligate insurers to treat victims like all other applicants or insured — and not single them out as a special class. Victims of domestic violence must be able to access the services they desperately need, and to which they are entitled, without jeopardizing their ability to obtain and retain insurance.

(If you need assistance or have any questions about insurance discrimination, please contact Nancy Durborow at the Pennsylvania Coalition Against Domestic Violence.)

The domestic violence program in your area can provide additional information and support.

Call your domestic violence program or PCADV

For more information, call your local domestic violence program or the Pennsylvania Coalition Against Domestic Violence (PCADV) at (800) 932-4632. To get the phone number of your local program:

- 1) look in your telephone book's blue pages under Abuse/Assault
- 2) call directory assistance
- 3) call PCADV

A local program staff member or volunteer can provide additional information about available services, volunteer opportunities and ways you can help prevent the crime of domestic violence in your community.



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